

# Fiscal Year 2007 Amended and Fiscal Year 2008 Governor's Recommended Budget

Presentation to  
Joint Appropriations Committee  
January 17, 2007



# PeachCare for Kids – Federal Funding Deficit

## Snapshot of PeachCare

As of December 2006, PeachCare for Kids covered 273,175 Children

Comprehensive health care program for uninsured children living in Georgia whose family income is at or below **235% FPL**.

The health benefits include primary, **preventive**, specialist, dental care and vision care. PeachCare for Kids also covers hospitalization, emergency room services, prescription medications and mental health care.

Georgia **rank fourth nationally in numbers** of enrolled children. Only California, New York and Texas have enrolled more children.

SFY 2007 Projected Total Expense = **\$427,126,422**

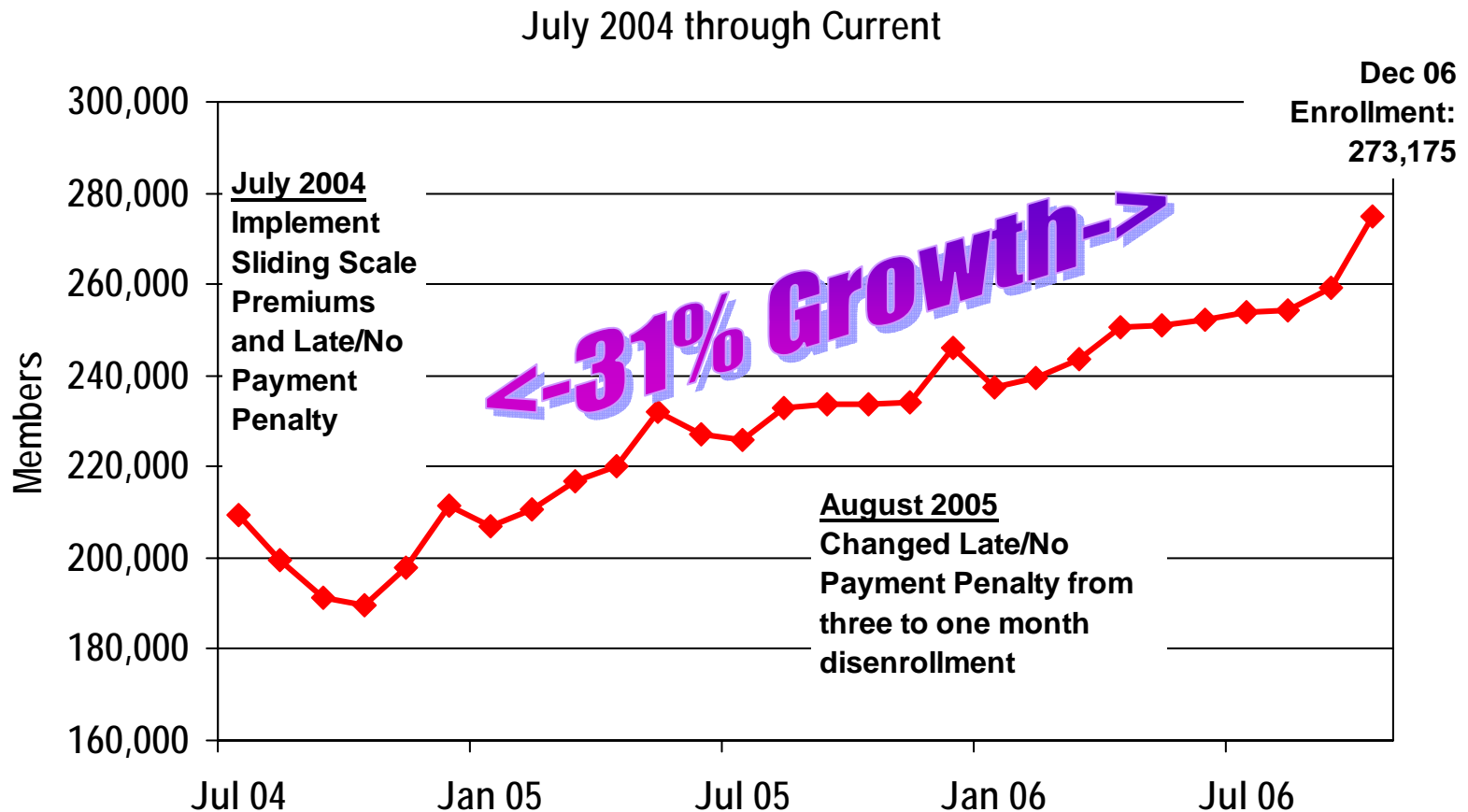
Available SFY 2007 Federal Funds = \$254,874,160

SFY 2007 Projected Federal Expense = \$312,687,294

Projected Federal Fund Deficit = **(\$57,813,134)**

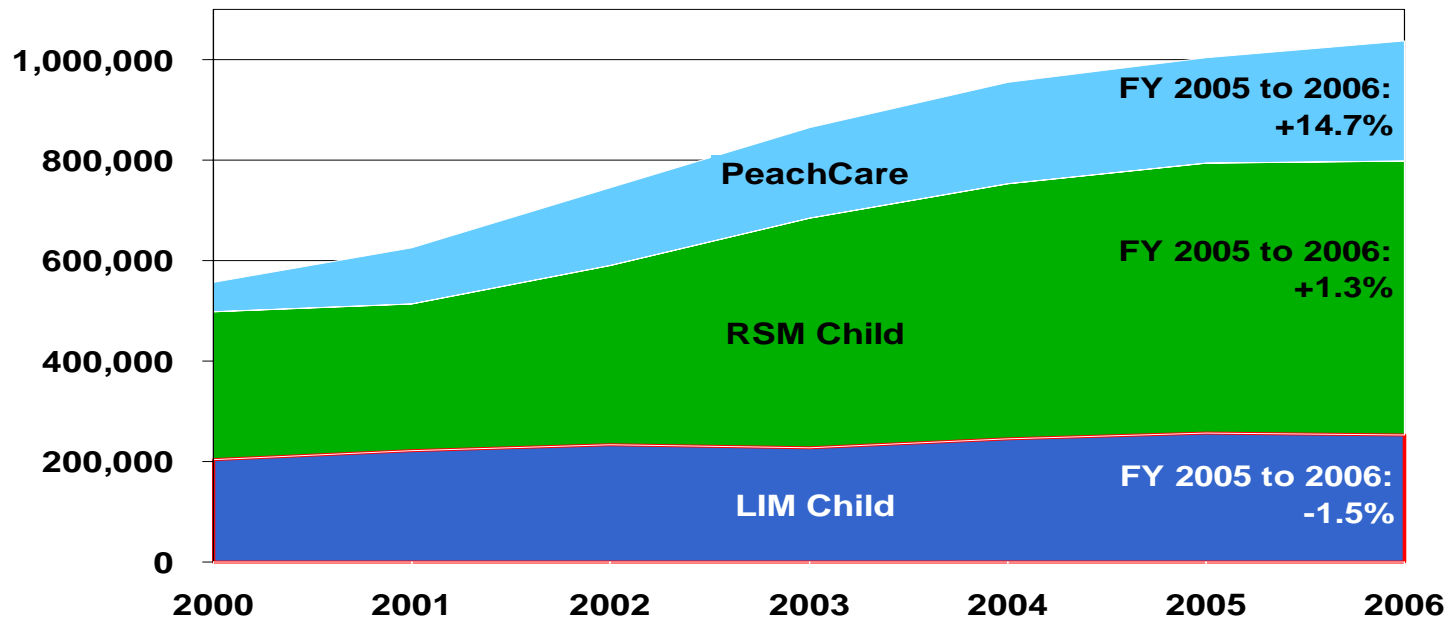
# PeachCare for Kids – Federal Funding Deficit

## Monthly Enrollment History



# PeachCare for Kids – Federal Funding Deficit

## Children Covered by DCH Programs



### Projected Average Monthly Enrollment

- SFY 2007 = 260,940
- SFY 2008 = 278,955

### Year To Date Average (Oct 06)

SFY 2007 = 260,579

FY 2007 impact of a 5,000 increase to average annual membership

- Federal expense will **increase by \$5.5 million**
- State expense will **increase by \$2.1 million**

# PeachCare for Kids – Federal Funding Deficit

## **S-CHIP Allotment - Issue**

### The Purpose of S-CHIP:

- As stated in its authorizing legislation (BBA 97; Public Law 105-33):  
“The purpose of this title is to provide funds to States to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children ...”

### The Issue:

- In spite of there being over \$1 b in surplus federal funds nationwide, several states including Georgia will have a significant deficit of federal funding this year while attempting to continue to address the needs of low-income children.

### WHY? The S-CHIP allotment formula:

- Unchanged since its creation in 1997-98
- Does not consider maintenance of effort
- Not reviewed often enough to consider policy and population changes
- States have a long time to spend surplus



# PeachCare for Kids – Federal Funding Deficit

## **S-CHIP Allotment – Federal Solutions**

### The Federal Solutions:

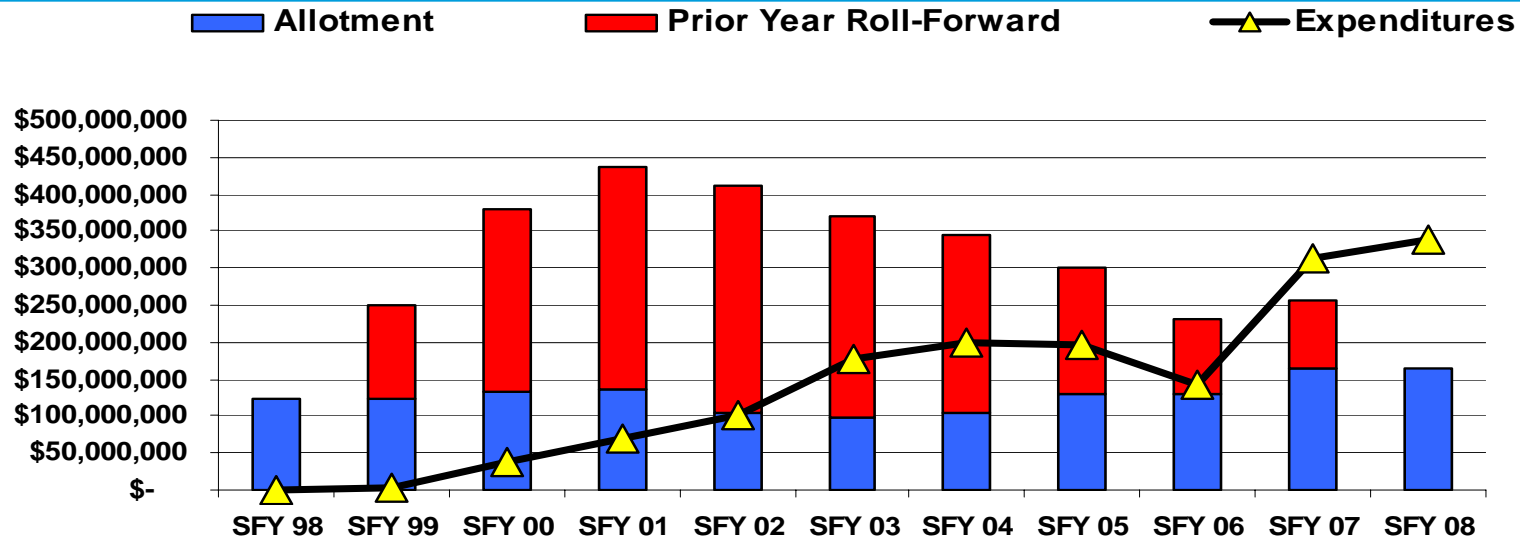
- 1- **Redistribute current national surplus:** Evaluate current status of federal funds in the states i.e. states with immediate funding need because of a deficit in federal funds and those states able to share a portion of their unused federal allotments.
- 2- **Federal Legislation to shorten** the funding cycle from three to two years allowing more timely review of state needs, deficits and surpluses for redistribution.
- 3- **Develop a new allotment formula.** See the description of the components of the current formula below.

### **The new formula should include:**

- A) Maintenance of effort funds for children already in S-CHIP programs
- B) Mechanisms to ensure a more accurate count of the uninsured & those with low incomes
- C) A determination if a more relevant measure can be used in determining the “cost factor” part of the formula



# PeachCare for Kids – Federal Funding Deficit Overview of Federal Funds



(in millions)					
SFY	Allotment	Prior Year Roll-Forward	Federal Expenditures	State Fiscal Year Deficit	Federal Fiscal Year Deficit
SFY 04	\$103.9	\$241.0	\$199.4	-0-	-0-
SFY 05	\$130.9	\$168.2	\$196.6	-0-	-0-
SFY 06	\$129.5	\$102.4	\$142.9	-0-	-0-
SFY 07	\$165.9	\$ 89.0	\$312.7	\$ (57.8)	(\$131.2)
SFY 08	\$165.9	n/a	\$337.1	\$(171.2)	(\$171.7)